

Inter-agency Work Group for Implementation of the MT Health Insurance Exchange
Meeting Notes
January 13, 2011

I. Welcome and introduction by Commissioner Lindeen and all attendees

- *HB124 to create a state level insurance exchange is carried by Representative Chuck Hunter. The bill sets up the governance structure of the Exchange. This bill is so important to pass so we can build a Montana solution rather than have the federal government build the Exchange for us.*
- *Overview of agenda*

II. Exchange power point presentation by Commissioner Lindeen

- *Most people thought the idea of the Exchange was good idea in the past; they just were not sure how to do it.*
- *The idea of an exchange is a Republican idea, developed by the Heritage Foundation; It is not, and should not be, a partisan issue.*
- *The Exchange will be an online marketplace for private companies to sell their health insurance products. It is not a government-run program.*
- *Attendee - Could people as adults buy into the full benefit package of Medicaid in the Exchange?*
- *CSI staff - No, the Exchange is supposed to be for private health insurance companies.*
- *Attendee- Would you be eligible for a subsidy if eligible for Medicaid but choose instead to go into the Exchange?*
- *CSI staff - The federal regulations are still to come out on issues such as that but they probably couldn't because they would be under poverty level.*
- *Commissioner Lindeen continues with the Exchange power point presentation.*
- *Can you shop across state lines?*
- *Commissioner Lindeen- the Exchange authority board is to look at the feasibility of a multi-state exchange.*
- *Are all the companies going to be licensed in Montana?*
- *Commissioner Lindeen- Yes, they are and must be. There are a lot of large companies already who are licensed in multiple states; they may be based out of another state but are licensed to sell certain products in Montana.*
- *What is to stop a company from dropping its employees' insurance and forcing them all to go into the Exchange?*
- *Commissioner Lindeen- Sometimes that might better benefit them. There are some companies that might find it more affordable to give their employees the money to go buy individual insurance in the Exchange.*

III. Overview of HB124 to Create a State-Level Health Insurance Exchange, by Christina Goe

- *1st section establishes the exchange authority in Montana, a quasi-governmental agency, run by the exchange authority board.*
- *2nd section contains definitions directly out of the ACA*
- *3rd section lays out the board appointees; there are no conflicts of interest*

- Governor appoints 4 to the board- the Medicaid Director, the State Health Plan Director, a union representative, and a consumer representative
- Allows the MT Senate President and Speaker of the house to each appoint a non-voting member to serve as legislative liaison
- No board member may have any health insurance affiliation because this would be a strong conflict of interest.
- The Insurance Commissioner appoints 3 to the board.
- 4th section lays out the powers and duties of the board
 - Minimum requirements of federal law
 - Certified health plans, rate plans justified and posted
 - Web portal, toll free number, calculator for premiums
 - A way to create different plans with lots of options for variation, different ways to structure a plan, wellness incentives, etc.
 - We added a few extra items
 - Directing them to achieve goals
 - Plans to intended to reduce health cost
 - Reduce adverse selection against the Exchange
 - Staff are not state employees
- 6th section lays out the powers and duties of the Commissioner
 - A way to implement federal regulations that are yet to come out
 - Approve plan of operation, assessment
 - Financial and performance audits
 - Uniform application
- Health plan certification
 - Minimum federal regulations
 - Essential benefits, components of major medical plan yet to be further defined
 - Bronze minimum must be offered in the exchange
 - Plans licensed and approved, rate approval through the Insurance Department
- Section 9 describes the advisory committee
 - Stakeholder council
 - A place for those not allowed on the board because of conflict of interest to voice their concerns.
 - Assessment to replace existing MCHA assessment
 - No state funding used for the Exchange
 - Started by federal money already appropriated to the states
- Section 11, annual reports and research report due by August 2012
 - Research issues
 - Merging small and individual market
 - Avoid adverse risk selection
 - Multi-state exchange
 - Incorporate government run plans
- Is the board considered a financial component of the state?
- CSI staff - No. No state funding is used.
- But all those appointed to the board are state employees.
- CSI staff - Well, that is an issue that would have to be researched.
- Section 12, defined contribution
 - Employee choice required to be part of SHOP exchange

- *Specialized kind of employee choice*
- *Section 13, health plan design requirements*
 - *Must offer competitive choices so that consumers and government get good value for their money*
 - *Approved by policy experts*
 - *Same network in and out of exchange*
 - *Nothing preempts the Commissioner's authority*
 - *Ambiguity in federal regulations*
 - *State pay for cost of additional benefit subsidies*
- *Attendee - Has the bill had a hearing yet? What is its schedule?*
- *Commissioner Lindeen- No, it hasn't been scheduled at all yet.*
- *Attendee - What about the repeal bills that have been proposed?*
- *Commissioner Lindeen- The bill about the individual mandate doesn't affect this. Then there is a bill to compel the attorney general to join other states in the lawsuit against federal health reform. Then there is also a bill to penalize those at the state level who are implementing reform. I see all this as a lot of political theatre at the state and federal level. I don't see these bills passing; I am just concerned about passing our bill.*
- *Commissioner Lindeen- It really just comes down it whether or not we want to have the ability to have a say in our exchange or not. The federal government is not bluffing about setting one up for us if we don't do it. This was proven with the MAC Plan, and the Exchange will have even further ramifications.*
- *Attendee - With the fact that it is federally funded, there are questions whether our state should even have Medicaid or CHIP.*
- *CSI staff - The question is not whether or not there will be an exchange; there will be one, and it is either federal or our own.*
- *Attendee - I feel very fortunate to be in this position, but worry about the decisions that will be made.*
- *CSI staff - The federal government will preempt wherever state laws fall below the federal floor.*
- *If I were you, I would make sure you find out soon which interim committee you will have to report to.*
- *Commissioner Lindeen- We've already had discussions with legislators and legislative services..*
- *CSI staff - Since it is a public entity, it will have open reporting.*
- *Attendee- I am sure we will get asked about a fiscal note on this bill..*
- *Attendee - Please explain the purpose of this work group.*
- *Commissioner Lindeen- There has to be coordination with Medicaid, HMK, and all health plans in the planning for the exchange, mostly with IT issues.*
- *Attendee - IT is one thing, eligibility issues are another.*
- *Commissioner Lindeen- Today, we needed to get everyone on the same page, explain where we are in the grant, etc..*
- *Attendee - I just don't know if you have the right people here, and if you have some of the equivalent people.*
- *Commissioner Lindeen- We had to start somewhere.*

IV. IT planning power point presentation by Sibyl Govan, the Technology Coordinator for the grants

- *Research done on other states*
 - *Massachusetts- exchange is up and running, they give the advice of not to try to do it in 6 months*
 - *Wisconsin- brags quite a bit about their exchange*
 - *Illinois- good benchmark, in the same place as we are on the timeline*
 - *Utah- their exchange is most likely what we have in our bill*
 - *Oklahoma- proclaims that they have saved lots of money and lots of work with their online Medicaid application*
- *Early Innovator Programs*
- *IT to do list for 2011*

V. IT planning power point presentation by Rod Bailey of Public Knowledge, LCC

VI. Explanation of program integration from the Exchange grant narrative, by Grant Manager Christa McClure

- *I am going to give an overview of the grant's idea of program integrations so you can have a better understanding of the purpose of the work group and decide who you want to send to these meetings.*
- *Reads explanation of program integration out of the grant narrative*
- *Federal requirements will be put on the web live for us to interact with federal staff electronically.*
- *We have to come up with an integration plan.*
- *Working on an RFP, contract to help facilitate these meetings, eligibility, benefit plans, coordination between agencies*
- *Contractor will have to rely on all of you for information.*
- *The agenda has topics for future meetings to help you decide who to send to the meetings.*
- *It can be more than one person.*
- *We know we need an IT subgroup.*
- *There were concerns about having IT people meet without the policy people.*
- *IT people will have to meet, decide who it will be so Susan can send agendas to the appropriate people.*
- *What kind of time commitment is this going to be?*
- *CSI staff - We need to establish the vision first, and for that we would need policy and IT people; Later we would need less people involve. Starting in February it is likely we would need to meet for two hours every two weeks.*
- *The federal regulations won't be out until July?*
- *CSI staff - We will be trying to have the RFP out by October We also have to do grant reporting in October. There are two levels of requirements to meet, more general in the beginning, and then more details in the RFP. The research and planning will be at a higher level to begin with, such as what programs we can and cannot use*
- *Attendee - For the vision session, it cannot just be IT people. IT people will not have the same vision as policy people.*
- *CSI staff - The Commissioner wants meetings to be at least once a month.*

- Attendee - *Two hours every two weeks doesn't seem like enough time.*
- CSI staff - *That depends on the level of integration we want to have.*
- CSI staff - *States can begin applying for implementation grants in February. The closing date is open so that states can apply when they are ready.*